

Lund, July 11, 2016

Axis AB: Half-year report January-June 2016

Second quarter

Net sales increased by 9 percent during the second quarter to SEK 1,763 M (1,616). Net sales increased by 13 percent in local currencies.

Operating profit amounted to SEK 167 M (117), which corresponds to an operating margin of 9.5 percent (7.2).

Profit after tax amounted to SEK 123 M (83).

Earnings per share amounted to SEK 1.77 (1.19).

On May 30, Axis announced the acquisition of 2N, and the acquisition of Cognimatics on June 3.

The first half of 2016

Net sales increased by 12 percent during the period to SEK 3,330 M (2,971). Net sales increased by 13 percent in local currencies.

Operating profit amounted to SEK 320 M (261), which corresponds to an operating margin of 9.6 percent (8.8).

Profit after tax amounted to SEK 237 M (187).

Earnings per share amounted to SEK 3.41 (2.69).

President's comment

During the second quarter, sales amounted to SEK 1,763 M, an increase of 9 percent compared to the same period of the previous year. Sales were positively impacted by a strong performance particularly in North America.

During the first half of 2016, Axis carried out three acquisitions. Two of these – 2N and Cognimatics – were completed during the second quarter. 2N is ranked as the global leading company in IP intercom. Together we can meet the increased demand for integrated intercom solutions. Cognimatics' products are successful in the retail sector, and complement our offering

in that market.

In April, Japan was affected by a powerful earthquake, which caused damage to Sony's sensor manufacturing plant. Since Sony is a supplier to Axis, we announced that it could have a negative effect on sales towards the end of 2016. After successfully taking a number of measures, we now estimate that it should have a very limited effect on our product supply.

During the spring, the analysis company IHS presented its yearly report on the video surveillance market that confirmed that the network video market is showing continued growth. The report confirmed that Axis retains its strong market-leading position in the Americas and EMEA regions.

Our high ambitions in the sustainability field are clearly evident in Axis' Sustainability Report for 2015, which was published in April. We are also continuing to show a high rate of innovation. During the second quarter, an advancement of our Zipstream technology was released, as well as AXIS Companion Line, which is targeted towards small businesses.

In late June, we signed an agreement with the Norwegian construction company HENT, which will build Axis' new headquarters with space for 1,300 employees. It is expected to be ready by spring 2019. A continued proximity to the university and colleges will strengthen our presence in Lund.

Ray Mauritsson
President

The report is available here.

The information in this interim report is such that Axis is required to disclose in accordance with the Securities Market Act. Submitted for publication at 08.00 a.m. (CET) on July 12, 2016.

For further information, please contact:

Björn Hallerborn, PR & Corporate Communications Manager

Mail: pressoffice@axis.com

Phone: +46 46 272 18 00

About Axis Communications

Axis offers intelligent security solutions that enable a smarter, safer world. As the market leader in network video, Axis is driving the industry by continually launching innovative network products based on an open platform - delivering high value to customers through a global partner network. Axis has long-term relationships with partners and provides them with knowledge and ground-breaking network products in existing and new markets. Axis has more than 2,100 dedicated employees in more than 50 countries around the world, supported by a global network of over 80,000 partners. Founded in 1984, Axis is a Sweden-based company listed on NASDAQ Stockholm under the ticker AXIS. For more information about Axis, please visit our website www.axis.com.